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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

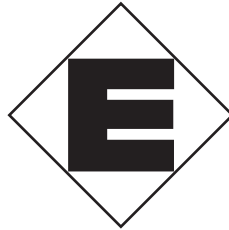
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Easyknit Enterprises Holdings Limited, you should at once hand this circular together with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**EASYKNIT ENTERPRISES HOLDINGS LIMITED****永義實業集團有限公司\****(incorporated in Bermuda with limited liability)***(Stock Code: 0616)****RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Easyknit Enterprises Holdings Limited to be held at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 2 August 2013 at 9:30 a.m. is set out on pages 14 to 17 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

\* *for identification only*



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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

|                           |  |
|---------------------------|--|
| “2012 AGM”                | annual general meeting of the Company held on 29 June 2012   |
| “2013 AGM”                | annual general meeting of the Company to be held at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 2 August 2013 at 9:30 a.m., notice of which is set out on pages 14 to 17 of this circular   |
| “Board”                   | board of Directors   |
| “Bye-Laws”                | Bye-Laws of the Company  |
| “Company”                 | Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange  |
| “Director(s)”             | director(s) of the Company   |
| “Easyknit International”  | Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the controlling Shareholder of the Company, currently holding approximately 43.52% of the Company’s issued share capital |
| “Group”                   | the Company and its subsidiaries   |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Latest Practicable Date” | 28 June 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein   |
| “Listing Rules”           | Rules Governing the Listing of Securities on the Stock Exchange  |

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## DEFINITIONS

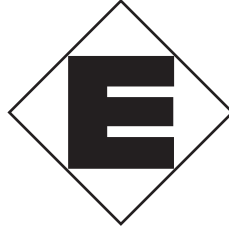
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|                   |  |
|-------------------|--|
| “Share(s)”        | ordinary share(s) of par value HK\$0.01 each in the share capital of the Company |
| “SFO”             | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)          |
| “Shareholder(s)”  | holder(s) of the Share(s)  |
| “Stock Exchange”  | The Stock Exchange of Hong Kong Limited  |
| “Target Property” | Ground Floor of No. 15 Matheson Street, Causeway Bay, Hong Kong                  |
| “Takeovers Code”  | Hong Kong Code on Takeovers and Mergers  |
| “%”               | per cent.  |

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LETTER FROM THE BOARD

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**EASYKNIT ENTERPRISES HOLDINGS LIMITED**

**永義實業集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0616)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(Chairman & Chief Executive Officer)*  
Ms. Lui Yuk Chu *(Deputy Chairman)*  
Ms. Koon Ho Yan Candy

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Director:*

Mr. Tse Wing Chiu Ricky

*Head office and principal place  
of business in Hong Kong:*

7th Floor  
Hong Kong Spinners Building, Phase 6  
481-483 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

*Independent Non-executive Directors:*

Mr. Kan Ka Hon  
Mr. Lau Sin Ming  
Mr. Foo Tak Ching

3 July 2013

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you notice of the 2013 AGM, and information on matters to be dealt with at the 2013 AGM. These matters relate to: (i) re-election of Directors who are due to retire at the 2013 AGM; (ii) grant of a general mandate to issue Shares; and (iii) grant of a general mandate to repurchase Shares.

\* *for identification only*

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99, Ms. Lui Yuk Chu, Ms. Koon Ho Yan Candy and Mr. Foo Tak Ching will retire from office by rotation at the 2013 AGM and being eligible, have offered themselves for re-election.

Mr. Foo, being an independent non-executive Director, eligible for re-election at the 2013 AGM, has provided an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Foo has met the independence guideline set out in Rule 13.13 of the Listing Rules and is independent in accordance with the terms of those guidelines.

Any Shareholder who wishes to nominate a person to stand for election as a Director at the 2013 AGM must lodge with the Company at its head office at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong or at its Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong within the period from 4 July 2013 to 10 July 2013 (both days inclusive), (i) his notice of intention to propose such person for election ("nominated candidate"), (ii) a notice executed by the nominated candidate of his willingness to be appointed as Director and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company.

The resolution in relation to the proposed re-election of the retiring directors will be put forward at the 2013 AGM as separate ordinary resolutions.

Biographical details of the retiring Directors to be re-elected at the 2013 AGM are set out in Appendix I to this circular.

### GENERAL MANDATE TO ISSUE SHARES

At the 2012 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to issue Shares ("**2012 General Mandate**"). On 18 July 2012, the Company announced that it has entered into a placing agreement to place 114,700,000 Shares under the 2012 General Mandate to independent places pursuant to the placing. Pursuant to that announcement, the aggregate net proceeds from the placing amounted to approximately to HK\$12.0 million and mainly used for the purpose of fitting and renovation of properties; and for general working capital of the Group. As such, 2012 General Mandate was almost fully utilized.

At the special general meeting held on 22 January 2013, ordinary resolutions were passed by the independent Shareholders for refreshment of the 2012 General Mandate and extension thereof to the Directors to allot, issue and deal with additional 68,657,100 Shares ("**1st Refreshment**"), representing 20% of the issued share capital of the Company as at 22 January 2013. Further details of the 1st Refreshment thereof are set out in the Company's circular dated

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## LETTER FROM THE BOARD

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7 January 2013. On 28 January 2013, the Company announced that it has entered into a placing agreement to place 68,656,000 Shares under the 1st Refreshment to independent places pursuant to the placing. Pursuant to that announcement, the aggregate net proceeds from the placing amounted to approximately to HK\$29.8 million and mainly used for the purpose for the acquisition of the Target Property. As such, 1st General Mandate was almost fully utilized.

At the special meeting held on 18 March 2013, ordinary resolutions were passed by the independent Shareholders for refreshment of the 1st Refreshment thereof to the Directors to allot, issue and deal with additional 83,388,300 Shares (“**2nd Refreshment**”), representing 20% of the issued share capital of the Company as at 18 March 2013. Further details of the 2nd Refreshment are set out in the Company’s circular dated 1 March 2013. This 2nd Refreshment has not yet been utilized and will expire at the conclusion of the 2013 AGM.

At the 2013 AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot, issue and deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution (“**Issue Mandate**”). On the basis that no further Shares are issued or repurchased by the Company after the Latest Practicable Date and subject to the passing of the resolution for the Issue Mandate at the 2013 AGM, the Company will be allowed to allot, issue and deal with a maximum of 329,553,200 Shares, the aggregate nominal amount of which equals to HK\$3,295,532. In addition, if the resolution to authorise the repurchase of Shares is passed, an ordinary resolution will be proposed at the 2013 AGM to authorise the Directors to allot and issue further Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the authority to repurchase.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the 2012 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to repurchase Shares. As at the Latest Practicable Date, this general mandate has not been utilized and will lapse at the conclusion of the 2013 AGM. At the 2013 AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the resolution (“**Repurchase Mandate**”). The Company’s authority is restricted to purchases made on the Stock Exchange and otherwise in accordance with the Listing Rules.

The Directors have no present intention to repurchase any Shares.

The Repurchase Mandate and the Issue Mandate, if passed, would continue in force until the conclusion of the next annual general meeting of the Company or until the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held or until revoked, renewed or varied by an ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting, whichever occurs first.

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## LETTER FROM THE BOARD

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An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the ordinary resolution to approve the Repurchase Mandate at the 2013 AGM.

### ANNUAL GENERAL MEETING

Notice of the 2013 AGM is set out on pages 14 to 17 of this circular. Proxy form for use at the 2013 AGM is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2013 AGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the 2013 AGM, his proxy form will be deemed to have been revoked.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll save for purely procedural or administrative matters. The chairman of the 2013 AGM will therefore exercise his power under Bye-Law 70 of the Company's Bye-Law to put each of the resolutions to be proposed at the 2013 AGM to the vote by way of poll.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by a proxy shall have one vote for each Share registered in his/her name in the register. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

After the conclusion of the 2013 AGM, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.easyknitenterp.com](http://www.easyknitenterp.com)).

### RESPONSIBILITY OF THE DIRECTORS

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rule, for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders vote in favour of all the relevant resolutions to be proposed at the 2013 AGM.

Yours faithfully,  
By Order of the Board  
**Easyknit Enterprises Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

The following are the particulars of the Directors standing for re-election at the 2013 AGM:

**Ms. Lui Yuk Chu (“Ms. Lui”)**

Ms. Lui, aged 55, is an executive director and deputy chairman of the Company and a member of the Executive Committee. She is also an executive director and vice president, and a member of the Executive Committee of Easyknit International. Ms. Lui has been involved in the textiles industry for over 30 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. She serves as director of various subsidiaries of the Company and Easyknit International. Ms. Lui was appointed to the Board as an executive director in 2003 and was appointed as deputy chairman in 2006. She is the mother of Ms. Koon Ho Yan Candy, an executive director of the Company.

There is a service contract between the Company and Ms. Lui and she is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Total emoluments of Ms. Lui for the year ended 31 March 2013 amounted to HK\$1,250,500. Ms. Lui is also entitled to discretionary bonus payments as the Remuneration Committee may determine appropriate. Her director’s emoluments are to be determined by the Board after recommendation from the Remuneration Committee pursuant to the authority to be sought from the Shareholders at the 2013 AGM by reference to her time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Ms. Lui was deemed to have an interest in 717,211,200 Shares, representing approximately 43.52% of the issued share capital of the Company, within the meaning of Part XV of the SFO. The 314,267,376 Shares and 402,943,824 Shares are registered in the name of and are beneficially owned by Landmark Profits Limited and Goodco Development Limited respectively which are wholly-owned subsidiaries of Easyknit International. Magical Profits Limited is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits Limited is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiary of which included Ms. Lui and her family members other than her spouse). Ms. Lui is a director of Landmark Profits Limited, Goodco Development Limited, Easyknit International and Magical Profits Limited, all of which are substantial Shareholders within the meaning of Part XV of the SFO. Ms. Lui is the wife of Mr. Koon Wing Yee, who is a substantial Shareholder within the meaning of Part XV of the SFO. She is also the mother of Ms. Koon Ho Yan Candy, one of the beneficiaries of The Magical 2000 Trust and the executive director of the Company and Easyknit International. Save as disclosed above, Ms. Lui has no relationships with any Directors, senior management or substantial or controlling Shareholders.

Save as disclosed above, there are no other matters concerning Ms. Lui that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**Ms. Koon Ho Yan Candy (“Ms. Koon”)**

Ms. Koon, aged 28, is an executive director of the Company and is a member of the Executive Committee since 2010. Ms. Koon obtained a Bachelor of Arts degree in Economics and Politics from the University of Durham in 2007. She also received her Bachelor of Laws degree and Legal Practice Course qualification in 2009 from the College of Law, England. Ms. Koon is also an executive director and a member of the Executive Committee of Easyknit International. Ms. Koon is the daughter of Ms. Lui, the deputy chairman of the Company.

There is a service contract between the Company and Ms. Koon and she is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-Laws. The director’s emoluments payable to Ms. Koon are to be fixed at HK\$326,500 per annum, subject to approval by the Board. Ms. Koon is also entitled to discretionary bonus payments as the Remuneration Committee of the Board may determine appropriate. Her director’s emoluments are to be determined by the Board after recommendation from the Remuneration Committee pursuant to the authority to be sought from the Shareholders at the 2013 AGM by reference to her time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Ms. Koon was deemed to have an interest in 717,211,200 Shares, representing approximately 43.52% of the issued share capital of the Company, within the meaning of Part XV of the SFO by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust as she is the daughter of Ms Lui. The 314,267,376 Shares and 402,943,824 Shares are registered in the name of and were beneficially owned by Landmark Profits Limited and Goodco Development Limited respectively which are wholly-owned subsidiaries of Easyknit International. Magical Profits Limited was interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits Limited was wholly-owned by Accumulate More Profits Limited which in turn was wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiary of which included Ms. Lui and her family members other than her spouse). Ms. Koon is a director of Easyknit International, is a substantial Shareholder within the meaning of Part XV of the SFO. Ms. Koon is the daughter of Mr. Koon Wing Yee, who is a substantial Shareholder within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Koon has no relationships with any Directors, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there are no other matters concerning Ms. Koon that need to be brought to the attention of the shareholders and there is no information to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing rules.

**Mr. Foo Tak Ching (“Mr. Foo”)**

Mr. Foo, aged 79, is an independent non-executive director of the Company since 2007. He is also a member and chairman of the Nomination Committee, a member of the Audit Committee and Remuneration Committee. He is currently a Partner of Messrs. Liu, Choi & Chan, a firm of solicitors and notaries in Hong Kong and has been practising in the legal field for more than 30 years. He obtained his LL.B. from the University of London in the United Kingdom in 1968 and his diploma in Chinese Laws from the University of East Asia in Macau in 1987. Mr. Foo was admitted as a solicitor in England and Wales, and Hong Kong in 1972 and in 1973 respectively; and as a barrister and solicitor in the State of Victoria, Australia in 1982. He is a Notary Public and a China Appointed Attesting Officer. Save as disclosed above, Mr. Foo does not hold any other positions with the Company or any of its subsidiaries and did not hold any other directorship in listed companies in the last three years.

Mr. Foo is an independent non-executive director of the Company since 2007 for a term of 3 years and he was re-elected at the annual general meeting in 2010. The directors' emoluments payable to Mr. Foo are to be fixed at HK\$120,000 per annum, subject to approval by the Board. Mr. Foo is not entitled to any bonus payment (whether fixed or discretionary in nature). His director's emoluments are to be determined by the Board after recommendation from the Remuneration Committee pursuant to the authority to be sought from the Shareholders at the 2013 AGM by reference to his time commitment and responsibilities, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Foo did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO. He has no relationships with any Directors, senior management or substantial or controlling Shareholders of the Company. Save as disclosed above, there are no other matters concerning Mr. Foo that needs to be brought to the attention of the Shareholders and there is no information to be disclosed.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for the Shareholders' consideration.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,647,766,000 Shares.

On the basis that no further Shares are issued or repurchased by the Company prior to the 2013 AGM and resolution numbered 6(B) as set out in the notice of the 2013 AGM is duly passed, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 164,776,600 Shares during the period in which the Repurchase Mandate remains in force.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek the Repurchase Mandate which enables the Directors to repurchase Shares on the Stock Exchange and otherwise in accordance with the Listing Rules. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, Bye-laws, the Listing Rules and the applicable laws of Bermuda. Under Bermuda law, any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including capital paid up on the Shares to be repurchased, funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose; and in the case of premiums payable on repurchase, out of the funds of the Company which would otherwise be available for dividend or distribution or sums standing to the share premium account of the Company.

There might be a material adverse impact on the working capital requirements or gearing levels of the Company, as compared with the position disclosed in the latest published audited accounts as at 31 March 2013, in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels that in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with its Bye-laws, the Listing Rules and the applicable laws of Bermuda.

#### 5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

#### 6. TAKEOVERS CODE

As at the Latest Practicable Date, Landmark Profits Limited (“Landmark”) and Goodco Development Limited (“Goodco”) held 314,267,376 Shares and 402,943,824 Shares respectively, representing approximately 19.07% and 24.45% of the issued share capital of the Company respectively. Landmark and Goodco are wholly-owned subsidiaries of Easyknit International. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited (“Magical”) is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical is wholly-owned by Accumulate More Profits Limited (“Accumulate”) which in turn is wholly-owned by Hang Seng Bank Trustee International Limited (“Hang Seng Bank Trustee”) as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Hang Seng Bank Trustee is a wholly-owned subsidiary of Hang Seng Bank Limited (“Hang Seng Bank”). Hang Seng Bank is owned as to approximately 62.14% by The Hongkong and Shanghai Banking Corporation Limited (“HSBC”). HSBC is wholly-owned by HSBC Asia Holdings BV (“HSBC Asia BV”) which is a wholly-owned subsidiary of HSBC Asia Holdings (UK) (“HSBC Asia UK”). HSBC Asia UK is wholly-owned by HSBC Holdings BV (“HSBC BV”) which in turn is wholly-owned by HSBC Finance (Netherlands) (“HSBC Finance”). HSBC Finance is a wholly-owned subsidiary of HSBC Holdings plc (“HSBC Holdings”). Easyknit International, Magical, Accumulate, Hang Seng Bank Trustee, Ms. Lui Yuk Chu and her spouse Mr. Koon Wing Yee, Ms. Koon Ho Yan Candy (an executive director of the Company and the daughter of Ms. Lui Yuk Chu, being one of the beneficiaries of The Magical 2000 Trust), Hang Seng Bank, HSBC, HSBC Asia BV, HSBC Asia UK, HSBC BV, HSBC Finance and HSBC Holdings are taken to have an aggregate interest under the SFO in the same block of 717,211,200 Shares held by Landmark and Goodco.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the attributable shareholdings of each of Landmark, Goodco, Easyknit International, Magical, Accumulate, Hang Seng Bank Trustee, Ms. Lui Yuk Chu, Ms. Koon Ho Yan Candy, Mr. Koon Wing Yee, Hang Seng Bank, HSBC, HSBC Asia BV, HSBC Asia UK, HSBC BV, HSBC Finance and HSBC Holdings in the Company would be increased from approximately 43.52% to approximately 48.03% of the issued share capital of the Company immediately after the full exercise of the Repurchase Mandate. In the opinion of the Directors, such increase would not give rise to any obligation to make a mandatory offer under Rule 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that the aggregate amount of the share capital of the Company in public hands would be less than 25%.

## 7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

|  | PER SHARE              |                       |
|--|------------------------|-----------------------|
|  | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2012</b>  |                        |                       |
| July   | 0.285                  | 0.235                 |
| August   | 0.247                  | 0.222                 |
| September  | 0.233                  | 0.222                 |
| October  | 0.230                  | 0.201                 |
| November   | 0.223                  | 0.207                 |
| December   | 0.325                  | 0.175                 |
| <b>2013</b>  |                        |                       |
| January  | 0.200                  | 0.176                 |
| February   | 0.190                  | 0.154                 |
| March  | 0.169                  | 0.120                 |
| April  | 0.124                  | 0.104                 |
| May  | 0.135                  | 0.107                 |
| June (up to and including the Latest Practicable Date) | 0.184                  | 0.093                 |

*Note:* share price for the period from 1 July 2012 to the Latest Practicable Date are adjusted for the effects of (i) the Capital Reorganization effective 10 December 2012; (ii) the rights issue which was approved by Shareholders at the special general meeting of the Company held on 10 December 2012, and dealings in the Shares pursuant to the rights issue commenced on 17 January 2013; and (iii) the rights issue which was approved by Shareholders at the special general meeting of the Company held on 16 May 2013, and dealings in the Shares pursuant to the rights issue commenced on 25 June 2013.

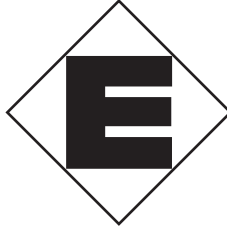
## 8. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company (whether on the Stock Exchange or otherwise).

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## NOTICE OF ANNUAL GENERAL MEETING

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### **EASYKNIT ENTERPRISES HOLDINGS LIMITED** **永義實業集團有限公司\***

*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 0616)**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (“AGM”) of Easyknit Enterprises Holdings Limited (“Company”) will be held at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 2 August 2013 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and auditor for the year ended 31 March 2013.
2. To consider and approve the re-election of Ms. Lui Yuk Chu as an executive director.
3. To consider and approve the re-election of Ms. Koon Ho Yan Candy as an executive director.
4. To consider and approve the re-election of Mr. Foo Tak Ching as a non-executive director.
5. To authorise the board of directors of the Company to fix the fees of all directors for the year ending 31 March 2014.
6. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of directors to fix their remuneration.
7. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

#### **ORDINARY RESOLUTIONS**

(A) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the

\* *for identification only*

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## NOTICE OF ANNUAL GENERAL MEETING

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Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements or options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the Bye-laws of the Company (“Bye-laws”), be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws or (iii) the exercise of any option granted under the share option scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) “**THAT**:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws and regulations, the Bye-laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- (C) “**THAT**, subject to the passing of resolutions numbered 7(A) and numbered 7(B) above, the authority granted to the directors of the Company pursuant to resolution numbered 7(A) above be and is hereby extended by the addition to the aggregate nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to such authority an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to resolution numbered 7(B), provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

By Order of the Board  
**Easyknit Enterprises Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

Hong Kong, 3 July 2013

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's principal place of business in Hong Kong at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting and in default the instrument of proxy shall not be treated as valid.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.